

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. -- James Monroe

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Japan Prepares For War In The Pacific

Believing Clash Now Inevitable, Japanese Officials Debate Time and Place

ANTI-TOKYO FRONT FEARED

Manila Talks Between U. S., Dutch, and British Leave Japanese Nervous but Determined

Ever since the German army broke into Scandinavia and then smashed the fortified lines of western Europe last spring, the world has found its attention riveted chiefly upon the gigantic battle raging over England and Germany, on the Atlantic, and in the Near and Middle East. During all this time—and without any particular fanfare commensurate with their importance—affairs in the Pacific have been advancing inexorably toward a crisis of a very serious nature. True, this crisis has been in the making for so long a time that it has taken on the appearance of being the normal state of affairs. There have been irregular periods of tension, with breathing spells in between. There may be more. But experts closely in touch with the situation do not believe there will be many. Some state bluntly that a general Pacific war is no longer a question of "if," but probably one of "when."

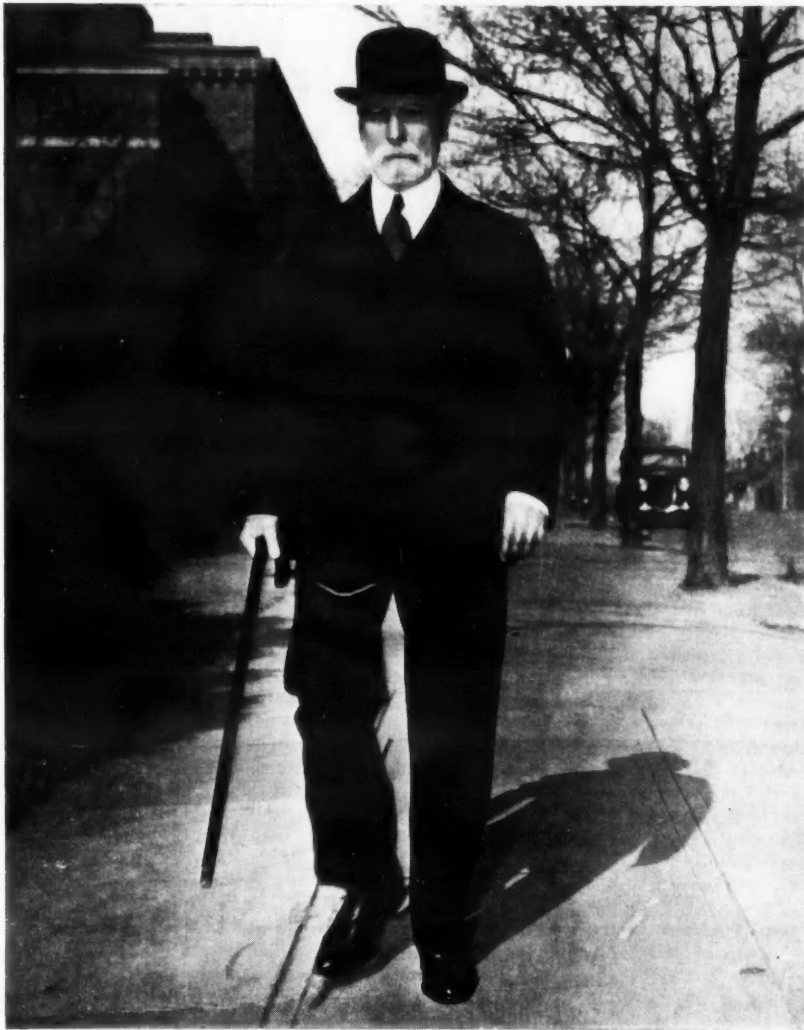
Straws in the Wind

One day last week the Japanese freighter *Kunikawa Maru* lay alongside a loading dock in Manila taking on a load of hemp and 1,600 tons of scrap iron. All morning donkey engines had coughed and sputtered and steam winches squealed in the bright, hot sun, but at noon, the Philippine inspector of customs came aboard and loading was stopped. An hour earlier he had received word that President Roosevelt had signed an act placing chrome, copper, manganese and copper ore, a variety of minerals, raw hemp, copra, rope, coconut oil, and a variety of other strategic materials under a special export-licensing system. Under this act the *Kunikawa Maru* was forced to sail with a fraction of her cargo. At other ports in the Philippines and in American-owned islands in the Pacific loadings were similarly stopped suddenly.

In the meantime, Batavia, the hot, crowded capital of Java and the Dutch East Indies was the scene of a conference between Japanese and Dutch colonial diplomats. The conference had been going on for some time—weeks, in fact, and the Japanese were showing distinct signs of impatience. They had demanded a larger share of the oil, rubber, tin, and chrome ore of the Dutch East Indies, and they accused the Dutch of stalling. Nothing less than "absolute compliance" would be acceptable, one Japanese newspaper remarked tartly, and another expressed astonishment that the Dutch should "dare to repudiate the idea of a co-prosperity sphere in East Asia." But the fact was—as Japanese and all others following the conference knew—that the Dutch were merely turning to London and Washington for instructions, and that the real duel was between Tokyo on one hand, and Great Britain and America on the other.

In Japanese eyes, these two incidents illustrate what has been described as a "deplorable situation" in the western Pacific. For four years, nearly, Japan has been pouring troops, equipment, and her life savings into the conflict with China. For two full years there has been hardly a

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THE CHIEF JUSTICE TAKES HIS USUAL EARLY MORNING STROLL

ACME

A Great American

Few men in public life have earned such profound respect and admiration from the American people as has Chief Justice Charles Evans Hughes. His announced intention to resign from his high office in July because of advancing age has brought forth expressions of regret from leaders of all shades of opinions. Newspaper editorials throughout the land have pointed out the wealth of his contribution to American democracy. We believe that the following from the *Washington Daily News* is a splendid brief appraisal of his career:

Mr. Hughes remarked one time, with truth, that "the Constitution is what the judges say it is." If, to borrow from his phrase, a judge is what the people say he is, then the Chief Justice is a great American. And certainly we concur.

Although he is 79, and his retirement has been long predicted, still it is a shock to see him step out of a public life that he has adorned in so many high capacities. His very physical presence, his kindly dignity which invariably commands the word "Olympian," his massive frame and splendid beard, have been a sort of symbol in this country—a symbol of the benignant powers and protections that issue from the basic law.

But the Chief Justice has been much more than a symbol. There is no need to recall in this space the record of his public service; suffice it to say that, whether as legislative counsel, or governor, or presidential candidate, or secretary of state, or Chief Justice, he has served his country well.

Not that he has been immune to criticism. In the early days when he was letting daylight into the corrupt practices of the insurance kings, he was pilloried as a radical. Later, as a corporation lawyer, he was abused as a reactionary. And on the bench he has grown used to sharp words from both left and right.

The fact is, it seems to us, that he has been neither radical nor reactionary, but rather the inheritor of the mantle of the Great Compromisers who sought to smooth the history of this country's middle years. It is commonly thought that his generalship, his skill at give and take, at steering a course between the election returns and the precedents, helped mightily to preserve the Supreme Court from degradation in the crisis of 1937.

The whole story of that year, and of the other dramatic episodes of Mr. Hughes' lifetime (particularly that bleak day when California's late returns dissolved the mirage of his election to the presidency), burns to be told by its protagonist. We hope that Mr. Hughes will spare us a little of his leisure to set down for history his own account of those things.

And in the meantime we do not envy President Roosevelt his task of choosing a Chief Justice who will not look too small in the chair of Justice Hughes.

Government Fights Rising Price Trend

While Present Prices Are Still Below 1929 Level, They Are Steadily Increasing

BRAKES NOW BEING APPLIED

Federal Price Agency, Under Leon Henderson, Has Responsibility for Preventing Upsurge

"Prices are soaring." "War boom causes sharp rise in cost of living." "Housewives protest high cost of food." These are typical headlines which are appearing daily in newspapers throughout the country. The problem of rising prices and what to do about them is becoming a foremost national issue.

It is natural that this matter is receiving so much attention at the present time, for whenever prices move either up or down for a protracted period, there are widespread complaints. When they are on the downgrade, producers and distributors—farmers, manufacturers, storekeepers—are affected and they are vocal in telling of their predicament. When prices are moving upward, on the other hand, housewives and consumers in general proclaim their disapproval.

For a number of months now—in fact, ever since the war began—there has been a slow but steady rise in prices of most food products and manufactured goods. As a result, prices of the things we buy today are, on the whole, somewhat higher than they were a year or two ago. The extent to which living costs have risen varies with different sections of the country and also with different products, some of which have gone up in value much more than others.

No Wild Advance

But it should be said at the outset that there has not, despite many inaccurate reports, been a wild advance in all prices, or even in most of them. As a matter of fact, we still have a long way to go, as the chart on page 7 shows, before we catch up to the price levels of 1929.

This does not mean, however, that there is no problem connected with rising prices and that there need be no fear that living costs will exceed reasonable bounds. On the contrary, the prices of certain products have already increased much too rapidly, and most economists believe that only by wise and bold methods can the price level in general be kept from skyrocketing in the months ahead. While their opinions naturally differ as to concrete steps which should be taken, there is general agreement among them that vigorous government controls will probably have to be applied in order to keep prices from running away.

When we examine the price situation today, we find a number of interesting facts. By lumping all our expenses for food, clothing, rent, fuel, and other necessities of life together, we learn that these things as a whole cost us nearly four cents more on the dollar than they did before the European war began. Taking food costs separately, we find that the American people pay on the average about seven cents per dollars more for what they eat than they did in the prewar days. And our purchases of clothing and furnishings cost us nearly seven cents more to the dollar than previously.

The range in food prices over a two-year period in New York City is fairly typical of the trend everywhere. The fol-

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PRESIDENT WILSON AND HIS WAR CABINET

HARRIS & EWING

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

Emergency Powers of the President

CONTRARY to popular belief, the President's announcement of an unlimited national emergency on May 27 did not of itself confer any extraordinary powers on Mr. Roosevelt that were not his before the proclamation. There is a vast reservoir of powers voted by the Congress over a period of years, enabling the President to exercise wide authority during periods of emergency or when war is imminent. But the mere declaration of an "unlimited emergency" does not authorize him to use these powers. In each case, he must issue an executive order invoking the specific legislative measure under which he proposes to act. Until he does so, the declaration of an unlimited national emergency must be regarded as more in the nature of a psychological move, to



DAVID S. MUZZEY

rouse the American public to the gravity of the crisis and to put it on notice that he may invoke emergency powers at any time in order to speed up the national defense effort.

Past Use of Powers

Merely by virtue of his position as "commander-in-chief" of the Army and Navy, the President has broad powers in his grasp. Their scope, however, has never been clearly defined in spite of numerous judicial opinions handed down by the courts. During the Civil War, President Lincoln increased the size of the Army and Navy without congressional authorization. He ordered public funds paid out before they had been appropriated by Congress. He even suspended liberties clearly safeguarded by the Constitution. Subsequently, the courts held that in some instances President Lincoln had acted unconstitutionally. Lincoln himself admitted as much but contended that the emergency was such as to justify his going beyond strict constitutional bounds, in the interests of national security and of preserving the Union.

During the World War the conflict between the President and Congress over the proper limits of executive action was avoided by a long series of measures in which Congress freely granted President Wilson very extensive powers. Congress took the view that lengthy debate would needlessly hamper successful execution of war policy. And while it retained control over broad questions of war policy, it left to the President the decision as to how that policy might best be carried out in each case.

A great many of the emergency powers voted during the Wilson administration

have never been repealed. These, together with statutes going back to the Spanish-American War and legislation enacted during the depression, provide President Roosevelt with virtually unlimited authority over the nation's industry and man power. At a press conference the day after his emergency proclamation, Mr. Roosevelt himself pointed out that merely a list of the titles of individual measures giving the executive emergency powers covers eight pages of federal records. By individual executive orders, the President may:

Scope of Authority

Order plants to manufacture certain types of equipment and enforce compliance by those who refuse.

Increase the strength of the country's armed forces and order reserves and retired officers into active duty.

Seize any American merchant vessel for whatever purpose he deems necessary and regulate the movements of all vessels, both American and foreign, in American territorial waters; and use the nation's armed forces to prevent stoppage or hindrance of communication lines, including railroads, inland waterways, and trucking routes.

Suspend the eight-hour day for workers engaged on government contracts.

Take over and operate power houses, dams, and power transmission lines for any purpose involving the defense of the United States. Since the nation's entire industry is, of course, dependent upon the continued supply of power, this one provision indirectly gives the President almost dictatorial powers over the productive plant of the nation.

Prohibit or curtail exports; close the stock exchanges for 90 days; control radio communications; even shift the monthly allotments in congressional appropriations from one government department to another.

Some of these powers, it should be noted, are specifically reserved by Congress for "time of war or when war is imminent." But it is up to the President to decide "when war is imminent." This would appear to give the executive great latitude, beyond that contemplated perhaps by the legislature. In practice, however, no President can actually move beyond the limits of congressional approval, because it is within the power of Congress at any time, and by a simple majority, to repeal all or any of the powers granted to the executive by legislative action. But the mere fact that the President has these enormous powers within reach, simply by issuing a proclamation, is often sufficient to guarantee his obtaining the cooperation of both industry and labor in any step he may desire.

Navy Remains Our First Line of Defense in Atlantic and Pacific

THE gray fighting ships that plow the waters of the Atlantic and the Pacific or lie at anchor in sheltered harbors under the Stars and Stripes are more vigilant today than they have been since 1918. Our strong Pacific fleet and our weaker Atlantic one have similar missions. Each is to keep an aggressive nation from taking territories which we do not want it to take. One fleet is to warn Japan not to move against the Philippines, the Netherlands East Indies, or British Malaya. The other is to keep German forces from occupying islands which might be used as bases for operations against this hemisphere. In addition, the Atlantic fleet must now help Britain by patrolling the ocean all the way from the southern tip of Greenland, eastward to the Azores, and southwest to Trinidad, off the coast of Venezuela.

The exact composition of each fleet is a naval secret, but we know that 12 battleships, four aircraft carriers, and most of our cruisers, destroyers, and submarines are concentrated in the Pacific. The Atlantic fleet has only three old battleships (though the powerful new *North Carolina* and *Washington* are almost ready for service) and 120-odd smaller vessels. Each of these fleets may be thought of as a team, in which every ship, big or little, plays the part for which it was built.

The heaviest hitter is the battleship, a floating fortress bristling with long-range, 16-inch guns, garrisoned by 1,500 men, and designed, as *The Bluejackets' Manual* says, "to fight any vessel anywhere." Its elaborate defenses permit it to withstand more punishment than a ship of any other type could take. It has thick armor, countless water-tight compartments, and internal "blisters" (spaces filled with air or oil) which give added protection against torpedoes. Underwater sound-detection mechanism foretells the approach of submarines, and radio-wave aircraft warning devices announce the coming of planes. The ship carries its own planes, too, as well as batteries of anti-aircraft guns.

But the ship on which planes rank first in importance, with guns only a very poor second, is the aircraft carrier. This great, lopsided vessel with its superstructure pushed far over to one side of its broad deck, is simply a floating landing field and hangar for the 78 planes it carries. Its job is to hit without being hit, and its long-range weapon, the plane, enables it to keep from 30 to 100 miles away from its target—well out of range of enemy guns. There are six carriers in the United States Navy, one of them unarmored.

A cruiser is much smaller than a battleship or an aircraft carrier, and it is long and narrow, rather than heavy and wide. In this ship, gun power and armor protection are sacrificed for speed, so the cruiser can make 32 knots as compared with the battleship's 22 to 28. When they are with the fleet, cruisers sail well ahead as scouts. Alone, they patrol sea lanes, attack enemy commerce, and convoy merchantmen. We have 19 light cruisers (ships mounting

six-inch guns, that is) and 18 heavy cruisers (ships armed with eight-inch guns).

Still lighter and faster is the destroyer, a slim, graceful ship that can cut through the water at from 37 to 40 knots. It carries no armor and only five-inch guns, but its speed and maneuverability permit it to attack larger ships with its torpedoes and, using its underwater listening device, to hunt down submarines and finish them off with depth charges. Our Navy has 159 destroyers, 74 of which are old four-stackers of the World War period.

A fighting ship which has no large guns, no stout armor, and no speed to speak of, but which manages to be pretty deadly anyway, is the submarine. Its weapon is the torpedo, and its great advantage is its ability to hide in an element which offers no concealment to any other craft, large or small. Of our 105 submarines, 37 were built since 1930 and are excellent ships. Most of these new ones could leave their base at Pearl Harbor in the Hawaiian Islands and cruise the Sea of Japan for weeks without refueling.

Battleships, aircraft carriers, cruisers, destroyers, and submarines—these are the ships that make up our fighting strength on the high seas. For work inshore there are other combat types: wooden mosquito-boats that can make 60 knots and fire torpedoes with astonishing rapidity; mine-layers which place large globes of explosives where they will do the enemy most harm; minesweepers employed to cut loose the enemy's mines and blow them up; and a great many kinds of patrol vessels. Then there are noncombatant auxiliaries, too,—hospital ships, supply ships, and the tenders which make it possible for destroyers, submarines, and large patrol planes to continue their operations at sea.

But this brief description of the units which make up our first line of defense would be misleading if it did not emphasize the reliance that the ships of a navy must now put upon friendly aircraft. When British planes tracked down the magnificent new German battleship *Bismarck*, one of them crippling her with a torpedo, the world was reminded that ships no longer have the oceans to themselves. Fortunately, we have a splendid naval air service. It has good bombers, fighters, scouts, and torpedo planes and it has trained good pilots to fly them. It was our naval air service that developed dive-bombing and brought out the best bomb-sight yet produced.

The United States Navy is the most powerful in the world, for recent British losses in the Mediterranean and the sinking of the *Hood* near Greenland give our battle fleet a slight edge over the British in fighting strength. This margin will grow, too, for the gigantic construction program which will provide us with a real two-ocean navy by 1946 or 1947 is steadily strengthening our weak Atlantic fleet. Also, the United States has an advantage that no country of the Old World can boast—bases which are free from the danger of short-range bombing attack.



WIDE WORLD

BATTLESHIPS IN LINE, READY TO JOIN THE FLEET IN MANEUVERS



PROPER NUTRITION IS ESSENTIAL TO THE NATION'S HEALTH

Nutrition Experts Map Campaign To Raise Nation's Health Standards

AERICAN defense has spread out to a new front—a campaign to raise health standards by setting a better national dinner table. The days of hit-or-miss eating are numbered, because the government has determined that every man, woman, and child must have plenty of the right foods. The nation is training strong and efficient men in the armed forces, and behind them must be equally strong and healthy people in factories, in schools and homes, in every walk of national life.

To find the best ways in which food resources can be marshaled to produce general good health, 900 experts on nutrition gathered in the nation's capital not long ago. Called together by President Roosevelt for the first National Nutrition Conference for Defense, they charted the courses of action which must be taken to improve the country's menus.

The conference itself could do no more than lay the groundwork for specific programs which will be launched in the days ahead. It did, however, indicate what steps will be taken, probably in the very near future. For one thing, it received a new food guide—a yardstick for nutrition—from the U. S. Public Health Service.

This technical chart thus becomes the goal of the food-for-strength campaign. For it recommends the amounts of calories, proteins, vitamins, minerals, and other food elements which an individual should have each day. The requirements for men, women, and children of different ages are given, and if met they promise to bring about a better national average in physical and mental health than has ever been attained.

Given in laboratory terms, the chart was later translated to a more general statement, expressed in daily needs. These include:

"One pint of milk for an adult and more for a child; a serving of meat, of which the cheaper cuts are just as nutritious; one egg, or some suitable substitute, such as navy beans; two vegetables, one of which should be green or yellow; two fruits, one of which should be rich in Vitamin C, found abundantly in citrus fruits and tomatoes; breads, flour, and cereal, most, or preferably all, whole grain or enriched with minerals and vitamins; some butter or oleomargarine with Vitamin A added; other foods to satisfy the appetite."

Three separate campaigns must be waged to see that everyone can sit down to regular meals which meet these requirements. The first, of course, is to bring about a more widespread distribution of the nation's food products. It does little good to advise what a well-rounded diet should include if an estimated one-third of the population cannot afford to buy sufficient food. The government in recent years has made some efforts to use up agricultural surpluses by distributing them through various programs to those who are not getting enough to eat.

Now it is promised that these efforts will be continued and expanded.

Among those who can already buy the proper amounts of food, however, there are many who are not properly informed on matters of diet. The fact that a family sits down to a groaning table does not insure that it is eating a well-balanced meal. Consequently, it is necessary to educate the nation—people of all economic classes—on food requirements. In the future, more and more information will be forthcoming on how to plan and cook meals which provide maximum food value.

Still another development is the improvement of foods themselves. We are told of the new, enriched bread, for example, and of butter or oleomargarine to which Vitamin A has been added. It has been found that certain food elements can be put into these products, making them of greater value to the diet.

The Week at a Glance . . .

Wednesday, May 28

British defeat in Crete seemed imminent as the Nazis took the island's capital, Candia.

President Roosevelt, in a press conference, announced that convoys are not now contemplated and declared that he had no immediate intention of asking Congress to repeal the Neutrality Act.

The House passed a bill authorizing the creation of government corporations to carry on various activities in the interest of national defense.

Thursday, May 29

British Foreign Secretary Anthony Eden outlined England's war aims. They will consist of imposing terms "designed to prevent a repetition of Germany's misdeeds." He stressed the need of U. S. cooperation in postwar reconstruction.

The Vichy government protested the bombing of a port in Tunisia by the Royal Air Force.

The priorities system was extended to the steel industry, giving defense industries the first call on steel production.

Secretary of War Stimson announced that the training of British pilots in the United States would begin June 7. Eight thousand fliers are to be trained annually.

Friday, May 30

British victory in Iraq seemed certain as Rashid Ali Beg Gailani fled to Iran. In Crete, however, the situation was black as the Nazis were in possession of all key cities and ports.

John G. Winant, U. S. ambassador to Great Britain, returned to the United States to give a firsthand report to President Roosevelt.

Memorial Day services throughout the nation stressed the need for national strength and unity during the present crisis.

Saturday, May 31

The month-old rebellion in Iraq came to an end as British troops entered Baghdad and an armistice was signed.

Oil rationing in the East loomed as a transportation shortage developed and as President Roosevelt appointed Secretary Ickes "Petroleum Coordinator for National Defense."

The first shipment of food under the Lend-Lease Act arrived at a British port.

A \$25,000,000 fire broke out on the water front in Jersey City. Large quantities of defense materials and equipment were destroyed.

Sunday, June 1

The British government acknowledged that Crete had been abandoned to the Nazis. It said that 15,000 troops had been evacuated to Egypt and that the Nazi losses had been enormous. It was expected that Germany would next move against Cyprus in a drive toward the Suez Canal.

Monday, June 2

Charles Evans Hughes, chief justice of the United States Supreme Court since 1930, announced his intention of resigning on July 1 because "conditions of health and age make it necessary."

Nazi troops were reported in Syria, which was expected to be an early scene of hostilities. Britain prepared to defend the island of Cyprus, against which the Nazis were expected to make an assault.

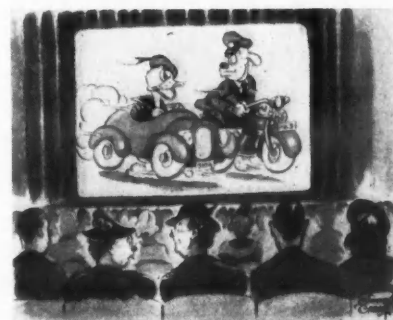
Hitler and Mussolini conferred at the Brenner Pass. The subject of their conversation was reported to be ways of blocking U. S. aid to Britain.

Tuesday, June 3

The possibility of war between France and England loomed, as units of the French air force were revealed to have secretly taken positions in Syria and Tunisia. It was also reported that six French naval bases had been turned over to the Germans.

Ambassador Winant conferred with President Roosevelt at the White House on the British situation.

♦ SMILES ♦



"Isn't it wonderful the way Mr. Disney trains those animals?"
CABORN IN AMERICAN BOY

A husband and wife came to a bank to open a joint account. Being in a hurry, the man made out his signature card and left.

"Let me see," an official of the bank said to the wife. "This is to be a joint account, is it not?"

"That's right," smiled the wife. "Deposit for him—checking for me."

—INVESTMENT DEALERS' DIGEST

Son: "Pop, can you sign your name with your eyes shut?"

Pop: "Sure, why?"

Son: "Well, then close your eyes and sign my report card."

—CAPPER'S WEEKLY

"My boy friend is trying to sell his car."

"Why?"

"He says the outgo for the upkeep is too much of a setback for his income."

—CLASSMATE

Dear Lovelorn Editor: "Six months after I became engaged to a young man, I found he had a wooden leg. Should I break it off?"

—SELECTED

Frederick Stock, conductor of the Chicago Symphony Orchestra, was playing golf and not doing too well. In annoyance, he turned to his caddie and asked, "Can you tell me what's the matter?"

The caddie's diagnosis was immediate: "Mister, you ain't got rhythm!"—New York Times

Information Test

Answers to history and geography questions may be found on page 8. If you miss too many of them, a review of history and geography is advisable. Current history questions refer to this issue of THE AMERICAN OBSERVER.

American History

1. Nicholas Biddle, president of the Bank of the United States, was often praised by newspapers to which he granted liberal loans, but he was known as "Emperor Nick of Bribery Bank" to foes like President (a) John Adams, (b) Andrew Jackson, (c) Andrew Johnson, (d) Grover Cleveland.

2. "Light-horse Harry" Lee was an American officer whose swift light cavalry distinguished itself in the (a) American Revolution, (b) War of 1812, (c) Mexican War, (d) Civil War.

3. Running for election to the Senate, tall, lanky Abraham Lincoln debated with his opponent, the "Little Giant," (a) Daniel Webster, (b) John C. Calhoun, (c) Stephen A. Douglas, (d) Henry Clay.

4. "Speak softly and carry a big stick" was the slogan popularized by (a) William Jennings Bryan, (b) William Howard Taft, (c) Woodrow Wilson, (d) Theodore Roosevelt.

5. The first great naval officer to command units of United States sea forces was (a) Thomas McDonough, (b) John P. Jones, (c) Oliver H. Perry, (d) James Lawrence.

Geography

1. Zamzam is the name of a sacred well at Mecca, the Mohammedan holy city situated in (a) Saudi Arabia, (b) Palestine, (c) Syria, (d) Trans-Jordan.

2. A "lost colony" of Spanish-speaking people has been discovered in the mountains of Peru. The mountains belong to the great system of the (a) Urals, (b) Sierra Madres,

(c) Andes, (d) Antilles.

3. Name the standard time belts of the United States. A radio program originating in New York at 8:00 p.m. (Eastern Standard time) is heard in San Francisco at what hour?

4. Cologne and other German cities along the Rhine have been heavily bombed by the Royal Air Force because they are (a) well located for use as invasion bases, (b) important industrial centers, (c) important oil-well towns, (d) the cities from which Germany is really governed.

5. Hitler has always had his eye on the wheatlands of the Russian Ukraine, a Soviet republic lying (a) east of the Caspian Sea, (b) just east of the Baltic Sea, (c) on the Mediterranean coast, (d) to the north of the Black Sea.

6. The long, narrow South American country which might fittingly be called a "shoestring country" is (a) Argentina, (b) Colombia, (c) Chile, (d) Bolivia.

Current History

1. True or false: Prices have risen as much since the outbreak of the present war as they rose during the World War.

2. What steps has the federal government taken to prevent drastic price rises?

3. What role is air power playing in the present Far Eastern situation?

4. What are the principal indications that the situation in the Far East is rapidly approaching a climax?

5. From what source does the President of the United States derive his emergency powers?

The Week at Home

Discomforts of Defense

Week ends without long distance drives into the country, streets only dimly lighted, curtailed passenger service on railroads, rationing of fuel oil to avoid unnecessary waste—these are the sacrifices some American communities may be called upon to make in the coming months for the sake of the defense program. Southeastern United States is already suffering from a serious electric power shortage. This region has been suffering from the worst drought in 37 years. Dams and reservoirs that supply electric power are being drained gradually at a time when, owing to greatly expanded production of aluminum for aircraft, power requirements have increased 25 per cent over a year ago.

Throughout the eastern seaboard restrictions of one kind or another may soon be placed on the use of petroleum and petroleum products, also as a result of the war and the defense program. Oil supplies in the United States are more than ample. But the difficult problem today is how to get the oil from the Southwest and Gulf ports to the eastern states. In normal times about 96 per cent of the crude oil refined in the East is shipped by tanker. But because of Britain's serious needs, the American oil industry has had to transfer 50 tankers to the British service. And our own shipyards are unable to build tankers fast enough to replace those sunk in the submarine and surface raider warfare.

Even the proposed construction of new pipelines will not help the situation for another nine months at best. So the country is being warned by Harold L. Ickes, newly appointed petroleum administrator, that it may have to watch the mileage gauges on its automobiles rather

most sweeping powers over private property ever granted the federal government in times of peace. The measure, now under consideration by Congress, has been urged by the War Department and has the support of both the Navy Department and the Office of Production Management. It would permit the Chief Executive to requisition any private property that he may regard as necessary to the nation's security. The measure is so comprehensive in wording that the President, legally at least, could acquire anything from pots and pans to giant corporations.

Under the terms of the bill, it is the President who determines the just price to be paid for the property requisitioned. His decision, however, may be appealed to the courts.

There is probably little doubt that the administration's legislative whips could push this measure through Congress in substantially the form recommended by the War Department. But some Republican spokesmen, charging that the proposal takes the United States "right into socialism," have warned of a lengthy debate and of their intention to amend the measure with what they regard as necessary safeguards.

Court Vacancies

With the retirement of Chief Justice Hughes, effective July 1, there are now two vacancies on the Supreme Court bench. The other vacancy was created last February by the retirement of Associate Justice James McReynolds, but it has gone unfilled in spite of persistent rumors that the appointment has been offered to Senator James Byrnes of South Carolina, administration leader and friend of the President for many years.

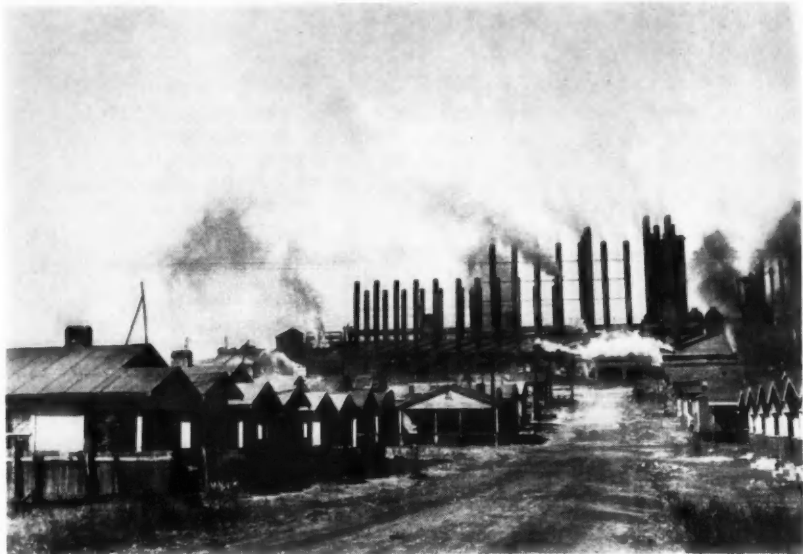
Why Mr. Roosevelt has for so long delayed in choosing a successor to Justice McReynolds has never been satisfactorily explained. Nor is it certain that he will move immediately to appoint a new chief justice. Speculation in the nation's capital, however, is centered largely upon Attorney General Robert Jackson, one of the President's most trusted lieutenants. Several years ago, the President was believed to be grooming Jackson as a possible successor in the White House. But Jackson, though an extremely able official, seemed to lack that political appeal so essential to a presidential aspirant.

When the Court vacancies are filled, seven of the nine justices will have been Roosevelt appointees, more than any other president has had an opportunity to name, with the exception of George Washington.

Priorities for Steel

Steel, the basic stuff of modern enterprise in both war and peace, has been placed under priorities by the Office of Production Management, the government's top defense agency. The use of steel for civilian purposes is not automatically restricted by the new ruling. The manufacturer who, through his own efforts, is unable to secure steel deliveries will hereafter apply to the OPM. If his plant is engaged in production vital to the defense program, his steel needs will be given first preference. Otherwise he may have to wait until the defense demands are satisfied before his order is cleared. So far, however, the OPM has done nothing to prevent a manufacturer of civilian goods from continuing to place his usual orders with the steel corporations.

The decision to introduce what might be called "limited rationing" of the steel output came as the result of a new study of the country's probable steel capacity and demand by Gano Dunn, senior consultant in the OPM's Production Division. In February, Mr. Dunn had submitted his first survey to President Roosevelt with estimates showing that the country's steel industry was capable of providing all probable demands upon it. The February report, in fact, stated that the industry's



STEEL TOWN IN ALABAMA

FSA BY ROTHSTEIN

capacity in 1941 would probably be 10,000,000 tons in excess of demands; in 1942, it would be 2,100,000 tons over and above demand.

The new survey gave a sharply altered picture. In place of a vast surplus of steel capacity for this year, it estimates that combined civilian, military, and export needs will exceed the industry's capacity by 1,400,000 tons. In 1942, those needs will exceed capacity 6,400,000 tons.

Lou Gehrig

The death of Lou Gehrig last week removed one of baseball's most beloved figures. Although forced to end his career two years ago because of a rare form of infantile paralysis, he still remained an idol to millions of Americans, young and old. For 14 years, he was a star player for the New York Yankees. He was one of the greatest batters in baseball history. He participated in 2,130 consecutive games—from June 1, 1925, to May 2, 1939—a feat which will probably never be equaled in the history of baseball.

In the course of his 14 years with the Yankees, Gehrig came to be known as the "Iron Man of Baseball." At times, he was overshadowed by such players as Babe Ruth and Joe DiMaggio, in the admiration of the fans, but he always refrained from showing signs of jealousy. He was ever willing and able to play his hardest and to put all he had into the game. It was as much such traits of character as his prowess in baseball that endeared him to millions of countrymen.

Two years ago this summer, on July 4, 1939, one of the greatest tributes ever

given a sportsman was paid Lou Gehrig, when a gathering of 61,808 persons assembled in Yankee Stadium in New York in his honor. Earlier in the spring, he had gone to the Mayo Clinic and discovered he had a disease from which he would never recover. When he retired in June of that year, heartfelt messages of condolence poured in from all over the country.

Emil Schram

This spring William McChesney Martin, Jr., the 34-year-old president of the New York Stock Exchange, left his \$48,000 job in Wall Street to earn \$21 a month as a private in the United States Army. Looking around for another president, the exchange found him in Emil Schram. The appointment of Mr. Schram was almost as much of a surprise as that of the youthful Martin had been, for Mr. Schram says that he has never seen the floor of the exchange and owns no stocks.

Of late the stock exchange has done less business than at any time since the Spanish-American War. When one of its governors asked Mr. Schram how he interpreted its difficulties, he replied that he couldn't. "My job is business administration," he said. "After I have studied your problems, I'll be in a position to give my views."

Schram got his first business experience in Peru, Indiana, delivering orders for his father's grocery and selling newspapers. At 17 he obtained a position as bookkeeper, and five years later, just after he was married, his employer sent him to see what he could do with a soggy piece of land in the Illinois River Valley. Schram worked out a system of drainage, and with the help of his neighbors and the government he built levees to hold back flood waters. Within three years he had raised the corn yield from 6,000 bushels to 100,000.

Jesse Jones, chairman of the Reconstruction Finance Corporation, heard about this specialist in drainage problems and made him chief of the RFC's drainage, levee, and irrigation division. For several years the RFC shifted him around from one difficult job to another, and in 1939 it elevated him to the position of chairman of the board.

At 47 Mr. Schram finds himself president of the New York Stock Exchange and hears people saying that his appointment is the result of the exchange's desire to improve relations with the federal government. To his new employers he has said, "If you're expecting me to work wonders for you here in Washington, frankly, I think you're kidding yourselves."



H. A. E. EMIL SCHRAM

THE MAN ON THE SPIGOT
BERRYMAN IN WASHINGTON STAR

carefully, shut off the radiators in the guest rooms of their homes, and otherwise accustom itself to the fact that this emergency is no trifling business.

Executive Powers

In line with the effort to cut red tape and spur defense production, the Roosevelt administration has proposed legislation to Congress which will give the President the

The American Observer

A Weekly Review of Social Thought and Action

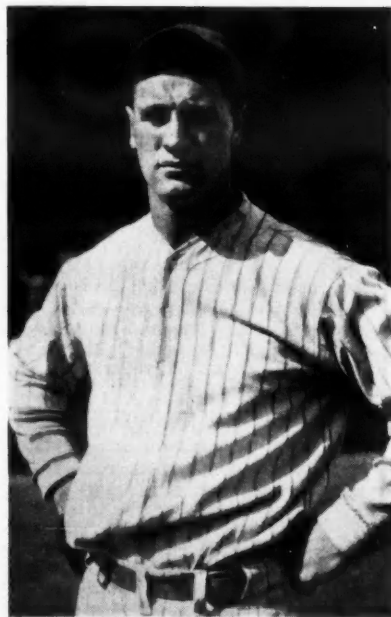
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WIDE WORLD
LOU GEHRIG IN 1926—HIS SECOND FULL SEASON
WITH THE NEW YORK YANKEES

The Week Abroad

The War---New Phase

(1) Middle East

In Europe, last week, the feeling was spreading that momentous things were afoot. Britain had suffered another disastrous defeat and seemed on the verge of war with France; Hitler and Mussolini had conferred in Brenner Pass, and a new campaign appeared to be in the making—the indications being that it would be both military and diplomatic.

London was uneasy. There were silent questions in the air. Why had British troops in Crete been so poorly equipped? Why had adequate military air fields not been prepared in the seven months of British occupation? If the island was indefensible, why had it been defended at all? Fac-

pare to lose everything. If Vichy collaborates, the Germans are understood to be willing to allow France and her empire to stand untouched in the proposed "new order" in Europe.

Coffee Plastic

During the last decade Brazil has spent about \$18,000,000 in order to burn or dump into the sea a total of 70,000,000 bags of her chief export—coffee. In all, 9,000,000,000 pounds of coffee have been destroyed. The waste has been enormous, but Brazilians have deemed it necessary in order to keep the price of coffee from falling so low that all the coffee plantations of the republic would go bankrupt. Since the war began abroad, Brazil's

material can be obtained, according to *Business Week*. About 132 pounds of coffee will produce a sheet of this plastic 40 feet square, and half an inch thick. A factory that will eventually handle a possible 5,000,000 bags of coffee is now being built near Sao Paulo, Brazil, and Brazilian coffee interests hope that they have at last found a solution to the coffee problem.

Island of Cyprus

A thousand years before the Christian era, Phoenician sailors pushed out from ports in the Levant to the island of Cyprus, 70 miles away. The island they found was shaped something like a battered mandolin, with its long neck pointing northeast. Two mountain ranges ran the length of the island, leaving a broad but hot valley in between. The central plain of Cyprus proved malarial and unhealthy, so the Phoenicians, and those who came after them, preferred to live among the tall, dark trees along the mountain slopes, and by the seaside.

Cyprus has changed hands many times since the Phoenicians came, passing back and forth between Greeks, Assyrians, Persians, Egyptians, Romans, and Turks, finally coming under British control in 1878, and entering the British Empire as a crown colony in 1914.

The British have never done much with Cyprus. Having secured possession of it, they seemed to lose interest years ago, apparently believing it too far from Suez to be worth fortifying. Consequently there are only three air bases and one second-class naval base on the island. About 2,500 miles of fairly good highways, and 71 miles of railroad may aid the British in shuttling troops across the island (140 miles long, and 60 miles wide at its extremities), and the island's distance from German bases in Greece, Crete, and Rhodes may aid in its defense. But if the Germans control Syria, 70 miles distant, defense will become almost impossible, and if the Germans are able to seize Cyprus, their bombers will find the Suez Canal and the great British naval base at Alexandria only 240 miles away.

Philharmonic Bombed

During the last decade, the London Philharmonic has earned the reputation of being one of the few really great orchestras of Europe. Playing in the musty auditorium of Queen's Hall, in the West End of London, its register of conductors and soloists has come to resemble a Who's Who of the great in the musical world, and its performances have been of a high degree of excellence. On the whole, the London Philharmonic has been one of the cultural prides of Britain.

One morning recently, members of the orchestra gathered at Queen's Hall to rehearse for a concert that afternoon only to find their auditorium a charred, smoking shell—one more victim of German bombs. Inside the hall scores of valuable instruments and stacks of music lay in ruins.



WRECKED BY BOMBS

Queen's Hall, London, home of Britain's concert music, after a Nazi raid

But an appeal for more instruments was sent out quickly over BBC, and by noon they were arriving from all parts of London—some homemade, and some extremely valuable. A new hall was hired and the concert went according to schedule, with the demand for tickets heavier than before, and an audience crowding the aisles right back to the doors.

This incident reveals the average Britisher's persistent, stubborn refusal to despair or give up, on one hand, and it indicates a remarkable development among the British people, on the other. Ever since the war began there has been a strange but potent sort of cultural renaissance in Britain—something which has caused people to get out their drawing pencils and paint brushes, their musical instruments, and to flock to art galleries and concert halls as never before. This development has so far been peculiar to England alone. To some observers it bodes a cultural resurgence of the British people.

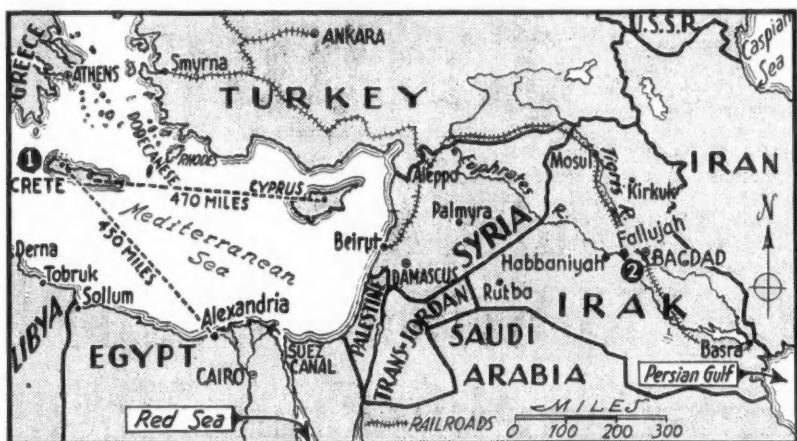
Premier Prince

Second only to the Emperor in Japan, today, is Prince Fumimaro Konoye, who holds the office of premier and a great deal of power in the Japanese government. Konoye is the nearest thing to a dictator that Japan has experienced in modern times, but there is little about his appearance to suggest it. Konoye is a smiling, personable young man (he is 49 but looks 10 years younger), with considerable charm and a keen wit.

Konoye is the head of one of Japan's oldest and most honored families. He was an exceptionally brilliant student, conferring with statesmen at the University of Kyoto when he was only 13. A member of the House of Peers for 16 years, he was president of that body for six—a surprising thing in a country where age is venerated beyond anything except honor. But he did not stop there. Though lacking any political experience other than that acquired when he accompanied the elder statesman, Prince Saionji to the Paris Peace Conference in 1919, he became premier of Japan in 1937, holding the office for about a year.

Last year, after having spent months in retirement working out a plan, Konoye came forward to take the office of premier once again. This time he brought with him a scheme for a "new structure" in the Japanese government—one which has resulted in the virtual dissolution of all political parties, eventually vesting all powers in a central executive council, rather than in a party government.

PRONUNCIATIONS: Haifa (hi'fah—i as in ice), Hainan (hi'nahn'), Fumimaro Konoye (foo-mee-mah'roe koe-noe'yeh), Yosuke Mat-suoka (yoe-soo'keh mah-tsoo-oe'kah), Saionji (si-on'jee—i as in ice), Sao Paulo (soun' pou'loo—ou as in out), Thailand (ti'lahnd—i as in ice), Weygand (vay'gahn').



CRUCIAL POINTS IN THE MEDITERRANEAN WAR
COURTESY N. Y. HERALD TRIBUNE

ing difficulties at home over the matter, the Churchill government indicated that it could not reinforce the Crete garrison without weakening the defense of Egypt, but it defended Crete in order to gain time, during which British forces in Iraq were able to oust the pro-Nazi rebel government and restore military control. To that extent, perhaps, the losses in Crete may not have been entirely in vain.

One thing was certain—the fall of Crete had opened the way for a German advance on the island of Cyprus, and Syria—the expected first moves in an Axis drive on Suez from the north. Reports indicate that German troops and air units are already active in Syria, and a furious Anglo-German struggle for control of that historic region appears imminent. Many experts believe that the fate of Syria is likely to determine the fate of Iraq, Palestine, Iran, Transjordan, and perhaps other Moslem lands beyond. From the British point of view, the military situation is admittedly serious.

(2) France and Britain

With the main theater of the land war now shifting toward Syria, the long-smoldering crisis in Britain's relations with France is now approaching a climax. Syria is a French territory, and it now seems clear that if British troops attempt to invade it in order to drive the Germans out, they must fight the French to do it. The fact that General Charles de Gaulle has established the headquarters of his Free French army at Haifa, south of the Syrian border, indicates that French troops may be involved on both sides of the clash. In the meantime, French military aircraft have been arriving from North Africa to reinforce the Syrian air defenses and signs of renewed activity have been detected in the French fleet. General Weygand left his headquarters in North Africa long enough to confer earnestly with the Vichy cabinet last week.

The Vichy government's decision to fight, if necessary, seems to have been prompted by a demand by Hitler that it choose between two courses. Either France should defend all her colonies and shipping, and reconquer the regions now ruled by de Gaulle, he is reported to have said, or pre-

difficulties in selling coffee have multiplied. Virtually all Europe is going without its regular supply of coffee. In the first three months of 1939, for example, Europe bought 1,350,000 bags of Brazilian coffee. In the first three months of this year only 92,000 bags went to that continent—Finland taking the lion's share. Only the growing purchases of the United States and Japan have staved off economic disaster. And the benefits have not been one-sided. Whereas Brazil normally buys only a quarter of her imports in the United States, today 60 per cent of her imports are originating in this country.

But the economic pinch exerted by the war has prompted Brazilian interests to broaden the base of their economy, to grow new plants and develop new minerals. Rubber, manganese, chromium, nickel, bauxite, platinum, asbestos, monazite, sheet mica, quinine, copra, coconut oil, kapok, jute, cork, and hemp are only a few of the products that can and probably someday will be extracted from the soil of Brazil and sent out to world markets.

In the meantime, Brazil is trying interesting new experiments with coffee—not as a drink, but as a plastic. By crushing the coffee bean, and extracting certain chemicals, a plastic satisfactory for flooring, wallboards, roofing, and insulating



PANORAMA OF RIO DE JANEIRO

THREE LIONS

United States and Japan Prepare For Threatening Crisis in Pacific

(Concluded from page 1)

single major success. To some Japanese, China resembles a bottomless pit down which men and money can be poured indefinitely without producing any change. The long and growing record of military failure hangs over the Japanese army, over industry, government offices, homes, and farms like a dark cloud.

Reasons for Failure

What is the reason for this failure? The Japanese reply is simple. China would have been beaten long ago had it not been for the help she has received from Russia, Great Britain, and the United States. Only the long supply train of machinery, guns, gasoline, fuel oil, tools, aircraft and aircraft parts, munitions, trucks and railway rolling stock flown into China, moved by caravan trail from Asiatic Russia, or over the Burma Road from



YOSUKE MATSUOKA

Britain and the United States has enabled Chiang Kai-shek to hold his army together and stave off certain defeat—according to the Tokyo point of view.

This feeling has convinced many Japanese that there is no point in wasting more money on China until the three pro-China powers have been disposed of in one way or another. The opposition would have to be broken by appeasement or war, and for a time there was considerable debate as to which method would be applied, and where.

The first breach in the ranks of the three powers aiding Chiang was made when Foreign Minister Yosuke Matsuoka returned from his European tour with a newly signed Russo-Japanese treaty of friendship in his pocket. It did not commit Stalin to cease his aid to China, which caused some disappointment, but it did give some assurance that Russia would continue to remain aloof if Japan decided to settle matters with Britain and the United States. To those Japanese who have always feared a Russian attack from the north and northwest, it has come as an immense relief, clearing the decks, as some see it, for the final settlement with Britain and America.

In the meantime, however, Britain and the United States have not been idle. They have stiffened the Dutch in the East Indies, and clamped down somewhat on exports to Japan, as the above incidents indicate. There have been military and naval conferences between Dutch, British, Philippine, and American leaders—conferences of such importance as to lead many Japanese to believe that a secret defense treaty of alliance now binds the "white" nations of the Pacific together with China and the Philippines in an anti-Japanese front. This has produced nervousness in Tokyo.

Somewhat more important, probably, has been the sudden increase of American air power in the Pacific. In years past,

Japan, like Britain and the United States, has been predominantly a conservative naval power—believing first and foremost in the strength of her fleet. But European developments are proving the importance of air power. British aircraft blasted the Italian battleships at Taranto, and again in the Ionian Sea; more recently they located and crippled the powerful German battleship *Bismarck*, while nearly all of the heavy damage inflicted on British naval units off Crete, during the last two weeks, was caused by German aircraft.

This lesson has not been lost on Japan, but the Japanese, like the British, find themselves in the unfortunate predicament of learning it a little late in the game. Japan has about 5,000 aircraft of fair quality, manned by moderately good pilots. But in tooling, aircraft design, manufacture, and piloting, she is far behind the United States without any reasonable expectation of being able to catch up. This factor is slowly producing a change in the entire naval situation in the Pacific—just as German air power has produced such a change in the Atlantic.

At Pearl Harbor, Hawaii, there are facilities for handling 4,000 aircraft, and in the future they may be doubled. At Wake Island, beyond, there are now facilities for several hundred; at Midway Island for perhaps 500, and so it goes with Guam, Samoa, Pago Pago, and the Philippines. By degrees, the United States is reaching a great cordon of air and seaplane bases all the way across the Pacific to join with those of the Dutch and British in the East Indies and Malaya. Hundreds of millions of American dollars are now being poured into these bases with great speed. Probably the most serious development of all, from a Japanese point of view, was the recent announcement that at least 100 American Army planes were being sent to China and that U. S. Army aviators would be permitted to volunteer to fly them. Whatever this means in fact—it means to the Japanese that 100 American planes, manned by American pilots, gunners, and repaired by American ground crews are going shortly to be thrown into the fight. For all practical purposes, this means to Japan that the string of American air bases has been extended deep into China, and the cordon is virtually complete.

Future Course

What Japan will do in the face of these developments is provoking a good deal of speculation. The Japanese obviously do not wish to take a step that will irrevocably set off a Pacific war, though it must be admitted that sentiment in favor of "appeasing" the United States has dwindled rapidly. But neither do they wish to let the rich colonial plums of Malaya and the East Indies elude their grasp. It is a question chiefly of time and place—of striking where the enemy is least prepared to resist, and at a time when he is at a disadvantage. The Japanese are by nature a resourceful people, and their



ALL JAPANESE WORK TO HELP THEIR COUNTRY

course is apparently being plotted with great care.

Japanese officials can take some pride in the fact that they have gained control of the China coast, Manchuria, French Indo-China, Hainan, the Spratley and Paracel Islands and extended their influence deep into Thailand without war with the United States or Britain. If they had tried to take all these regions at once, war would almost certainly have followed. The Japanese understand this and admit it. They understand also that a sudden grab for the East Indies or an attack on Singapore would precipitate a general war almost immediately. A number of observers believe that Japan may have several cards up her sleeve that she will play first.

Last winter, it will be remembered, Japan used Thailand as a "dummy" to conduct a war against French Indo-China, applying such pressure that the French had to yield. It is very possible that Japan may use Thailand in a similar fashion for a land attack on the British—not in Singapore, which would bring the United States into the fray—but in Burma, and northern Malaya. This point is made by Edgar Snow in the *Saturday Evening Post*:

Japan intends very soon to get the signature of Thailand on a political and military alliance which would give her valuable landing fields close to Singapore and Rangoon. She could infiltrate the Thai army with imported Japanese troops, and even set up advance positions on the Thai frontier with Malaya. Here, on the Kra Isthmus, Japanese engineers have already made surveys for a canal which would outflank Singapore and render it economically, as well as militarily, meaningless.

Possibly Japan will first experimentally engage British troops behind the Thai banner, by causing Bangkok to raise territorial demands against Burma. She may even start a little border war on the pattern of the recent farce in Indo-China. Domei, the official Japanese news bureau, spreads reports that Chinese troops have been imported into the Shan States—a British colony lying between Thailand and China. That is significant. Bangkok may discover, when Tokyo is ready, some "violations" of her frontier by British troops in Burma. This would lead to demands for a retrocession of Thai territory long ago seized by the British. The beauty of it is that such a maneuver need never openly be backed by Japan at all, but only, perhaps, by some puppet regime at Nanking.

On the other hand, the Japanese government probably understands very well that American and British temper is not today

what it was in 1931 and 1937. To embark on such a venture without preparing for a general war would be dangerous, for the United States might declare war anyway.

In this respect, Japan also has a card to play—her alliance with Germany and Italy. If she fights, she does not want to have to face the entire American fleet. Tokyo has greeted with no small satisfaction the news that some units of the American fleet have been withdrawn from the Pacific to take up stations in the Atlantic. The Japanese are likewise encouraged by reports that America may undertake to occupy Martinique, the Azores, the Canary Islands, and perhaps even Dakar, and to take up Atlantic convoy work as well. Tasks such as these require naval craft in large numbers, and to obtain them, the Pacific fleet must be weakened. If German successes in the Atlantic can force the United States to withdraw a substantial portion of its fleet from the Pacific, Japanese militarists feel they can proceed with their plans of expansion without any fear of America. Once entrenched in the East Indies and Malaya, they believe, they can never be dislodged.

The American Fleet

So it is that Japan looks to Hitler for help. The sinking of the German battleship *Bismarck* has produced a temporary setback in German plans for drawing part of the American fleet into the Atlantic, to all appearances, but it has been largely offset by the heavy damage sustained by British naval craft off the coasts of Crete. In the meantime, there is talk of further German aid to Japan in the event of war. Several hundred or a thousand German aircraft might be sent to Japan and occupied China to offset the new American air bases, and Japanese harbors might shelter a German submarine fleet.

While waiting for the time factor to resolve in their favor, the Japanese are using subtle but effective measures to weaken the front being formed against them. For one thing, they have taken advantage of the shipping shortage in the Pacific to expand their own trade. A little while ago the Japanese government created a vast shipping pool which, by overloading, postponing all but urgent repairs, and using each ship where it is needed most, has eased the shortage of Japanese shipping. At the same time, the Japanese are tying up as many American-owned ships as possible in trade across the Pacific, and buying materials needed for shipping. Day by day the stocks of hemp, chrome ore, tin, and rubber destined for the United States have piled higher on the wharves of Rangoon, Calcutta, and other eastern ports for want of ships to move them. Sugar from the Philippines, needed wool from Australia have begged in vain for ships to carry them across. In the midst of all this, Japan has bought many parts for ships in America. The shortage of steel plate for American shipbuilding, says the *New York Times*, is probably due in part to large sales to the Japanese.

Now that the American defense program is swinging into its stride, Japan must risk a quick, bold stroke, or engage in a long-range war of production and attrition—a war which they stand very little chance of winning.



JAPANESE SOLDIERS HIT THE DIRT AS A CHINESE SHELL EXPLODES

Government Seeks to Combat High Prices

(Concluded from page 1)



CARTOON BY LEO, COURTESY THE NEWSPAPER PM

lowing figures are from the Department of Markets, a municipal agency of that city:

	1939	1940	1941
Pork Loins	25	21	27
Pork Chops	31	29	35
Smoked Ham	26	24	30
Leg of Lamb	28	28	27
Sirloin Steak	38	36	39
Tub Butter	27	33	41
White Eggs	35	34	40
Green Beans	10	11	11
Peas	8	11	9
Potatoes (5 lbs.)	15	15	11

While the increase in price of most of the foods in this list does not seem excessively high, it adds up and is felt by people with very low incomes. Moreover, there are indications that prices may move steadily upward, perhaps even faster than in recent months. One very good sign that this will happen is the fact that wholesale prices, on the average, have moved ahead considerably faster than retail. Government figures reveal that the wholesale prices of 900 products are 12 per cent higher than two years ago. Moreover, the prices of 28 essential raw materials and agricultural products are 42 per cent higher than in 1939.

Retail stores are almost certain to bring their prices more in line with those of the wholesalers. They would have been forced to do so before now if it were not that their volume of business has picked up so greatly during the last year. Even though they do not make as much profit on each product as they did before the sharp increase in wholesale prices occurred, they sell a much larger quantity of goods. In this way, they partly or wholly make up the difference. Nevertheless, retail prices are expected to increase so as to keep pace with wholesale prices.

Why Prices Rise

This brings us to the question of what causes prices to rise. Why are they doing so now? Donald Nelson, director of purchases of the National Defense Commission, recently made the following statement in this connection:

"In the first place, remember this: Prices don't just rise—they are raised. They go up because somebody puts them up. 'Somebody' puts them up, usually, either because things are scarce or because he and other people think they are going to be scarce. And scarcity, in turn, develops either because the supply of some-

thing is cut off or because so many people want it that there isn't enough to go around."

And it is just this situation that exists today, and may become greatly intensified in the weeks and months ahead. The American people as a whole have far more money to spend now than they had some months ago. Largely as a result of the defense program, industry is booming, unemployment is rapidly declining, and wages and profits are rising. So there is a greatly increased demand for clothes and food and consumer products of all kinds. At the same time, there is a rushing demand for vast supplies of military weapons.

The result is that American factories, mines, and, in many instances, farms are getting larger orders for their products than they can fill for some weeks or months or even years to come. In certain cases, the inability to fill the orders is caused by an insufficient output of vital minerals and raw materials; in others, factories are simply not equipped to handle such a vast and sudden increase in business.

Supply and Demand

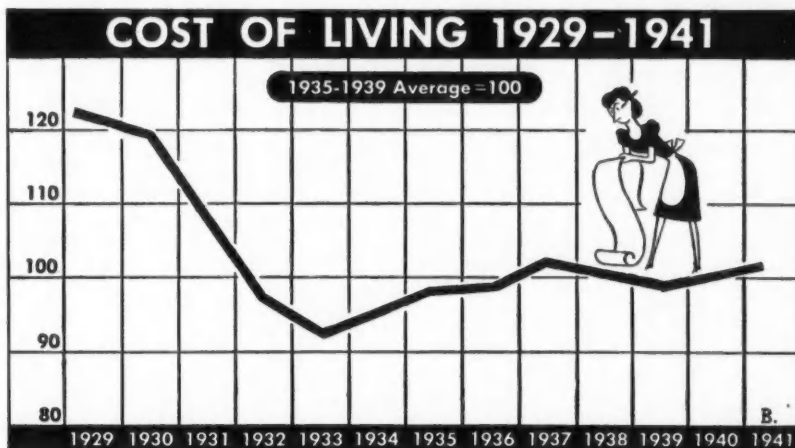
But whatever the reasons, it is a well-known economic fact that when the demand for a product exceeds the supply, the price of that product is almost certain to rise. Producers and distributors, whether they be farmers, manufacturers, mine operators, or store owners, cannot resist the temptation to boost their prices when the public is clamoring for their wares. When they do this and begin to reap large profits, workers demand good-sized wage increases. If the workers win out, the employers then conclude that they should charge still higher prices for their products. In this way, it becomes a vicious circle, ending in run-away prices, the inevitable collapse, and then depression.

It is not always the producers or manufacturers or retailers, however, who start prices upward. In certain cases, labor is responsible. Workers insist on higher wages than employers can pay and still make a fair profit, so prices must be raised to meet the increased pay roll. But more often, prices begin to rise before labor seeks its share of the soaring profits.

Of course, the government has consciously attempted to raise the prices of certain kinds of farm products. It has tried to get farmers to produce less so as to reduce surpluses, bring supply more in line with demand, and thereby push up prices. It maintains that farm incomes are too low in relation to city incomes, and that not only farmers but also the entire population will be better off if this situation is remedied.

There has been endless debate as to the wisdom of the government's efforts to raise farm prices. While there is room for argument over this form of price raising, the same thing cannot be said for a rapid or prolonged upward movement of prices all along the line. Today, for example, a great many people, with increased wages or profits, have little or no trouble in paying a few cents more on each dollar's worth of purchases than they paid a year or two ago. Many other families, on the other hand, have not enjoyed the benefits of wage increases. They were having a hard enough time making ends meet before prices started upward. Now that they have to pay more for their clothes, it means that they must cut down on their food purchases, and vice versa. In many cases, it means that they must eliminate the few simple pleasures or amusements that they formerly enjoyed.

But thus far, as we have seen, the prob-



TRENDS IN THE COST OF LIVING

COURTESY THE NEWSPAPER PM

lem of rising prices has not reached serious proportions. The government is determined to prevent this from happening. It remembers only too well the developments of the World War period. From 1914 to 1920, prices in the United States more than doubled. Large sections of the consuming public suffered a great deal during that time. Later on, when prices were inevitably forced down, owners of businesses, farmers, and workers felt the blow of rapidly falling profits and wages.

There are two important differences between conditions today, though, and those which prevailed at the time of the World War. For one thing, America's industrial plant has more than doubled its capacity to produce goods, whereas the population has increased only 30 per cent. This means that our factories and mines are in a much better position to supply both civilian and military needs than they were during the first world conflict. There will probably not develop such acute shortages, therefore, as did in those earlier days. This factor may help to keep prices down to a more normal level.

The most important difference between now and then, however, is that we have learned a lesson from the bitter experiences of that period. Our government is acting quickly and decisively to check rising prices. The newest agency which has been created to tackle this problem is the Office of Price Administration and Civilian Supply, headed by the vigorous and able Leon Henderson.

The declared intention of Mr. Henderson's organization is to rely chiefly on publicity to achieve its ends. Whenever it reaches the conclusion that the price of some product is too high, it advertises the fact on a nation-wide scale. By turning the national spotlight on what it considers to be unwarranted price rises, it hopes to discourage those who would take advantage of the buying public during the emergency.

More Drastic Steps

If it becomes clear, though, that publicity and negotiation are not sufficient to prevent profiteering, drastic steps may be taken. The government already has considerable authority to act in this direction. These are some of the powers it possesses and which it may use:

1. Under the terms of the Tariff Act, the President may request the Tariff Commission to investigate costs of production. The aid of the Tariff Commission may thus be enlisted to determine fair prices, and for this purpose the Commission has already started a study of the costs of mining copper.

2. Under the Selective Service Act, the government may place compulsory orders and requisition plants for failure or refusal to fill such orders at prices it considers reasonable. The National Defense Act gives the President the same powers in broader form now that a state of emergency has been proclaimed.

3. In time of war or threatened war the President, through the Interstate Commerce Commission, may grant priorities in transportation. The government used this power effectively during the last war to bring industrialists into line with its policies and requests. Those industrialists who refused to cooperate were threatened with the prospect of not being able to transport their goods by rail.

While none of these powers includes direct price fixing, administration leaders have indicated their belief that the powers are broad enough to cope with any situation likely to arise in the near future. If they prove to be insufficient, Leon Henderson has been expressly ordered by the President to recommend such additional legislation as may be necessary or desirable, relating to prices, rents, or other factors which enter into the whole picture of living costs in the United States.

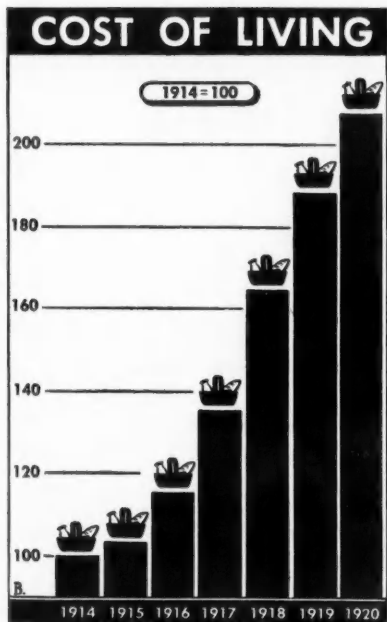
Other Steps

It seems almost certain, therefore, that the present administration will not allow prices to reach anything like the fantastic heights that they did during the World War. Through the combination of publicity, threats, and direct action, it will combat the natural tendency of prices to soar at a time like this.

Administration leaders are also hopeful that the new tax program which will go into effect before so long may serve as a brake on rising prices. People will not be able to spend so much of their increased earnings on goods because of their increased tax bill. That will help to check the abnormal demand for industrial products; thus there will not be such great shortages which cause prices to skyrocket.

It should be pointed out in conclusion that the government, with all its powers, will not have an easy job in keeping prices down. It will encounter powerful pressure from groups which stand to gain, at least for a while, by profiteering methods. Officials working at this task fully realize the difficulties they face, but are confident of achieving success.

Leon Henderson has had wide experience in government work of this kind. He became one of the keymen in the National Recovery Administration (NRA), and since then has been one of the leading economists in the Roosevelt administration.

LIVING COSTS DOUBLED DURING THE WORLD WAR
NEWSPAPER PM

WHILE President Roosevelt delivered the fireside chat that was to usher in an unlimited national emergency, Eleanor Roosevelt sat among the hushed audience in the brilliant, flag-draped East Room of the White House. Hers were mixed feelings—the reactions of wife watching husband, of citizen listening to the President of the United States. Two days later, she told of these emotions in her column "My Day":

I felt strangely detached, as though I were outside, a part of the general public. I represented no nation, I carried no responsibility, except the responsibility of being a citizen of the United States of America. Then I looked at the President, facing representatives of all the Central and South American countries, Mexico, and Canada. Like an oncoming wave, the thought rolled over me:

"What a weight of responsibility this one man at the desk, facing the rest of the people, has to carry. Not just for this hemisphere alone, but for the world as a whole! Great Britain can be gallant beyond belief, China can suffer and defend herself in equally heroic fashion, but in the end, the decisive factor in this whole business may perhaps be the solidarity of the hemisphere and of necessity, the President of the United States must give that solidarity its leadership!"



H. A. E.
ELEANOR ROOSEVELT

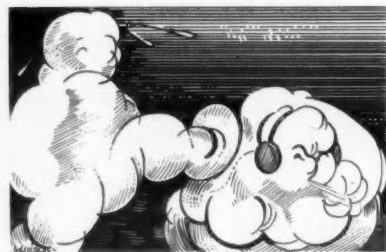
If we all preserve our freedom, it must be accomplished because we believe in each other, because we want to go forward with the democratic processes, no matter how far short we may be today of perfection. We can only do this if we work together.

Then the President began to speak. For three-quarters of an hour he told us what conditions existed, what obligations lay before us and, finally, what his present step to meet those obligations was to be. More must follow, and day by day each one of us is going to realize that his life is changing, that he has an obligation to perform.

In my capacity of objective citizen, sitting in the gathering last night, I felt that I wanted to accept my responsibility and do my particular job, whatever it might be, to the extent of my ability. I think that will be the answer of every individual citizen of the United States, for when all is said and done, it is our freedom to progress that makes us all want to live and to go on.

What Makes Weather

Year in, year out, one of the most persistent topics of conversation is the weather. And small wonder: "From January first until December thirty-first," writes Dr. A. K. Botts in the June issue of *Scientific Monthly*, "the weather provides, for most of us, a continuous, fluctuating succession of 'spells,' involving innumerable combinations of heat, cold, sunshine, cloudiness, rain, drought, wind, and calm, usually with no apparent rhyme nor reason to the process."



In the past, weather prophets have been merely shrewd observers who composed such familiar jingles as:

When the wind is in the east,
'tis good for neither man nor beast.

And:

Rain before seven;
Clear before eleven.

Today, meteorologists, using a new system known as "air mass analysis," are able to reveal the true character of the weather. Their system appears to be even more reliable than the barometric method, used by the government Weather Bureau since 1870. They claim that the United States does not make its own climate, but, rather, imports from polar, tropical, and oceanic regions great masses of air that make the varied weather. The air, with some modifications, is typical of the region in which it originates. Usually it moves across this country in an easterly direction.

News and Comment

The invading air mass that brings cold, dry winter weather to most of the northern states comes from the Canadian northwest. Air that accounts for the cool moisture of the north Pacific states moves in from the polar Pacific region. California climate is made by air from the tropical Pacific. The hot, dry regions of the southwest get their weather mostly from Mexico. In the east the variable conditions of the tropical Gulf prevail, although sometimes the weather of the South Atlantic, which by rights should move west and never touch continental United States, comes, bringing terrible storms and floods. The memorable hurricane of September 1938 was such a phenomenon.

The fact that most areas in the country are visited by air masses from most of the several sources, one after another, accounts for the extreme variations of weather which make for so much comment.

The area between air masses is known as a "front." Weather in a front differs, depending on whether it is hot or cold air that is being encroached upon. If it is a cold mass that is overtaken there is a sharp line of demarcation where the masses make contact. The warm air, which cannot penetrate the cold mass, climbs slowly up its sloping back. When the picture is reversed there is violent action in the front. The chilly air meeting the warm throws the latter quickly skyward. There it condenses and falls in torrents, while the mercury drops rapidly. This is one of the most easily observed weather occurrences.

Aid to Families

It is a fairly well-known fact that the population of the United States, which has risen sharply for the past seven decades, is about to level off and then go into decline. True, the actual population is still growing, but that is possible because great numbers of people born in the past have not yet reached the age at which the death rate is high. But the current generation of women of child-bearing age is failing by four per cent to reproduce itself.

Alarmed about this, the American Youth Commission in a recent report observed that national suicide is a possibility that will not be avoided "unless some of the costs of child rearing are assumed immediately by the whole people."

The commission suggests that families with more than two children be subsidized by means of a food stamp plan:

As a part of the food stamp plan, free stamps would be provided sufficient for an adequate minimum diet for the children upon purchase of stamps sufficient for such a diet for adult members of the family. . . . For farm families, the plan would need modification. Some farm families that now have difficulty in providing the children with an adequate diet could provide such a diet if they could arrange to secure greater diversification in the food which they produce.

The report also notes the need for better housing for young married couples; and it suggests that the difference in cost between housing a large family over housing a small family be paid by the state. To provide clothing another stamp plan, which would tie in nicely with plans to dispose of surplus cotton, is recommended.

One important cost, that of school operation, has already been taken over by the state to a considerable extent. On principle it would seem that the special cost of rearing children in families of more than one or two children should be borne as far as possible by the whole people. Social policies should be adopted which will encourage the formation of families of five or more children on the part of competent parents.

Streamlined Circus

With the aid of modern designers, among them Norman Bel Geddes, Ringling Brothers and Barnum and Bailey's circus is being streamlined in keeping with present-day trends. Next year's circus tour will find the big tent radically altered.

Instead of the numerous poles supporting the canvas and obstructing a clear view of the performance, the new tent is to be designed on the principles employed in the construction of suspension bridges. This is by no means the only innovation in the circus. Writing in the magazine *Who*, Verna Law Reamer tells of the numerous changes that have been and are being made by John North, nephew of the



original Ringling Brothers and, since 1938, in active direction of the circus management:

He has air-conditioned the huge tent and painted its ceiling dark blue, partly to eliminate glare, partly to enable spotlights to pick out the trapeze performers and the wire artists during the afternoon performances as well as in the evening.

Norman Bel Geddes was hired to further the streamlining process—and what do we have? A unity of color scheme, a harmony of costume designs, lighting effects within the rings and within the animals' pedestals.

In the menagerie tent the elephants are massed in a herd instead of strung out in a line: makes them look more like elephants. The giraffes are congregated in the center on a four-foot platform: makes them look even taller. The monkeys swing from stainless-steel hand rails on a formalized version of a mountain, surrounded by an oval-shaped pool, and all behind glass just high enough to keep the monkeys from jumping over it.

There are ramps at three different levels from which to view the animals. Their cages are going to have nearly invisible bars; even now the backgrounds have been made to resemble their occupants' native habitats.

Spanish Landscape

In the current number of *The American Mercury*, Hans Habe tells in detail of the wretched conditions that he encountered during a journey through Spain. In no other European country, even those at war, he declares, is famine so conspicuous. How to get bread and tobacco is the main subject of conversation in town and village. Even bread is rationed, only three ounces being allowed a person per day. Olive oil, sugar, and meat are available only in minute quantities. Mr. Habe asserts that in certain regions one is struck by the complete absence of dogs and cats; they have been eaten by the hungry population. At the close of the civil war, General Franco had announced a grandiose reconstruction program. But so far nothing much has been done.

Gasoline shortage (Mr. Habe writes) and the breakdown of other transportation have deepened disastrously the effects of food deficits. Before the civil war, Spain had 17,000 kilometers of track, 2,574 locomotives,



PICTURES, INC.
LINING UP FOR MILK IN MADRID

70,000 railway cars and 325,000 public conveyances of all kinds. Today there remain only 5,000 kilometers of track, 800 locomotives, 18,000 cars, and 99,000 public conveyances. Freight rates have skyrocketed and unfortunately the omnipresent Spanish mule can cover only short distances. Madrid and Barcelona, in the heart of fertile country, are relatively better supplied than other Spanish cities. But last fall, nonetheless, grapes were obtainable in Madrid only illegally and at incredibly high prices, while thousands of tons of grapes hung unpicked on the vines along the roads.

German penetration of Spain, the writer notes, is evident on every hand. In the streets of Barcelona, German "tourists" with swastikas in their buttonholes may be seen saluting Spanish officials with a "Heil Hitler."

John Smith's Yvie

Back in the early 1600's, Captain John Smith was taking a walk in the woods of Virginia and chanced to observe an ivy vine. He tarried long enough to pluck a few sprigs, and thus learned a lesson which he recorded later in his journal:

The poisonous weed being in shape but little different from our English yvie. But being touched causeth redness, itchings, and lastly blisters, the which however after a while they pass away of themselves without further harm; yet because for the time they are somewhat painful and in aspect dan-



DRAWING FROM HYGEIA

gerous, it hath gotten itself an ill name, although questionable of no very ill nature.

Captain Smith, according to an article in the June *Hygeia*, treated ivy poisoning with a mixture of gunpowder soaked in milk, and thus contributed one of the first of thousands of remedies which have accumulated in the past 300 years. Along with the uselessness of most of these remedies, many fallacies, according to the writer, prevail about the poison ivy plant.

One is that some persons are immune to its harm. "Nobody is," the article reports. "After years of handling the vine unscathed, you may fall victim. A distinguished botanist thought himself immune, and with some reason after a quarter of a century of tramping woods and fields. But the twenty-sixth year found him in a hospital, severely poisoned."

The two out of three persons who are easily poisoned, of course, will have most frequent use for the article's information on remedies:

There is no sure cure. . . .

Best of all methods of prevention is to detour the ivy plants. The advice sounds platitudinous, but too many persons are not sufficiently respectful of *Rhus toxicodendron*; remember, it can put you in the hospital for a month.

If you do come in contact with the plant, lather your whole body with suds of any good soap, rinse, and repeat. Soothing, protective lotions and hot compresses are standard treatment; they merely give relief.

If you must work where there is poison ivy, the United States Public Health Service suggests you smear all exposed skin surfaces with vanishing cream mixed with 10 per cent of sodium perborate. It is emphasized that this cream must be freshly manufactured. Any druggist can make the preparation and it is cheap. The protection is good for four hours; it must then be washed off and a fresh application made if the exposure is to be continued.

Information Test Answers

American History

1. (b) Andrew Jackson. 2. (a) Revolution.
3. (c) Stephen A. Douglas. 4. (d) Theodore Roosevelt. 5. (b) John Paul Jones.

Geography

1. (a) Saudi Arabia. 2. (c) Andes. 3. Eastern, Central, Mountain, and Pacific. At 5:00 p.m. 4. (b) Important industrial centers. 5. (d) To the north of the Black Sea. 6. (c) Chile.